

VZCZCXYZ0026
PP RUEHWEB

DE RUEHVI #0516/01 0591431
ZNR UUUUU ZZH
P 281431Z FEB 07
FM AMEMBASSY VIENNA
TO RUEHC/SECSTATE WASHDC PRIORITY 6470
RUEKJCS/OSD WASHDC PRIORITY
RHEHAAA/WHITEHOUSE WASHDC PRIORITY

UNCLAS VIENNA 000516

SIPDIS

SIPDIS

DEPT FOR EUR/AGS, INR/EU, AND EUR/PPD FOR YVETTE SAINT-ANDRE

OSD FOR COMMANDER CHAFFEE

WHITEHOUSE FOR NSC/WEUROPE

E.O. 12958: N/A
TAGS: [KPAO](#) [AU](#) [OPRC](#)

SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: February 28, 2007

Company Chief Complains about Eurofighter Inquiry

11. Eurofighter company boss Aloysius Rauen complained that his firm has been disadvantaged by details leaked to the public from an Austrian parliamentary inquiry into the purchase of 18 Eurofighter jets for use by the Austrian armed forces. Rauen said that concerns about corporate security and damage to the company's competitiveness were the only reason some witnesses had declined to answer questions at the inquiry. Committee chairman Peter Pilz, dismissed Rauen's comments.

Responding to Eurofighter company boss Aloysius Rauen's claims that concerns about damage to the Eurofighter company's competitiveness were the reason some witnesses had declined to answer questions at the parliamentary inquiry, committee chairman Peter Pilz emphasized the public had a right to know about the contract, including the whereabouts of some two-thirds of the 6.6 million Euros given to an Austrian PR firm to promote purchase of the jets. A lobbyist for Eurofighter manufacturer EADS, Erhard Steininger, who was supposed to answer questions Tuesday morning, is reportedly abroad. The Social Democrats, who now head the Austrian coalition government, have proposed that the contract be cancelled, but EADS says it's too late. The jets have been ordered but not delivered, semi-official daily Wiener Zeitung writes. Meanwhile, mass-circulation daily Kurier reports the delivery date of the jets is approaching. The jets' manufacturer has scheduled the first test flights for March. Cancellation of the purchase deal with EADS, as proposed by the Social Democrats in their election campaign last year, is becoming increasingly unlikely, the Kurier notes.

Austrian Army to Cut Bosnia Contingent

12. The reduction by more than half to 2,500 soldiers of the European Union's stabilization force in Bosnia-Herzegovina will also impact the Austrian military deployed there. It is expected that before fall the Austrian contingent will be "drastically reduced," Austrian media report, sourcing Defense Ministry circles. Defense Minister Norbert Darabos has announced that 150 to 160 of the 274 Austrian soldiers currently stationed in Bosnia-Herzegovina could be pulled out later this year. Nevertheless, the Western Balkans remains the key location for Austrian peacekeepers, a spokesperson for Darabos said. He added that the European Union is planning an "operative reserve force," which could be deployed quickly in case of a deterioration of the security situation in Bosnia-Herzegovina or in Kosovo. Austria would participate in the 600-strong EU force, semi-official daily Wiener Zeitung says.

Gusenbauer in Prague

13. Austria's Social Democratic Chancellor, Alfred Gusenbauer, was in the Czech Republic Tuesday for talks with the country's Conservative Prime Minister Mirek Topolanek and with President Vaclav Klaus. Gusenbauer was continuing a series of visits to neighboring countries since being sworn in as Chancellor in January. Main topic of discussion was Austria's concern about the safety of the Czech nuclear power plant at Temelin, near the border between the two countries.

Austria considers the Czech nuclear power plant at Temelin unsafe to operate, while Prague says it poses no danger. Last week Austrian environmentalists blockaded the border to show their concern about Temelin which has always been a bone of contention between the two countries. The relationship was not helped when, in December, all five parties in the Austrian parliament voted to take legal action against the Czech Republic over Temelin. The government in Prague said it regretted the action, writes semi-official daily Wiener Zeitung. Meanwhile, mass-circulation tabloid Kronen Zeitung suggests there was some success for Gusenbauer on his "tricky Temelin mission." Both countries have agreed to set up a parliamentary committee with Austrian and Czech MPs to address the unresolved security issues. Despite this development, the government in Vienna is looking at options to take legal action under international law against the Czech Republic. Overall, however, Austrian media emphasize that Austrian-Czech relations remain good.

Pentagon Dismisses Iran War Allegations

14. The Pentagon has dismissed allegations the US is preparing for military operations against Iran. Chairman of the Joint Chief of Staff Gen. Peter Pace stressed during a Senate hearing in Washington yesterday that such reports are not true. Asked whether he could rule out war, Pace answered that this was "definitely" the case. Iran, meanwhile, remains unimpressed by the growing international pressure in the dispute over its nuclear program. Iranian Foreign Minister Manouchehr Mottaki said Tuesday his country would never suspend uranium enrichment.

Meanwhile, writes semi-official daily Wiener Zeitung, Chairman of the Joint Chiefs of Staff Gen. Peter Pace in a report to Congress says the United States' military operations in Iraq and Afghanistan are increasingly hampering the US armed forces' ability to react adequately to other potential conflicts. Although the Pentagon wants to improve US military capacities, it could take years for the risk of an inadequate US military response to be reduced to an acceptable degree again, an additional Pentagon report. Pace's report was presented to Defense Secretary Robert Gates at the beginning of this year, and did not take into account President Bush's decision to deploy an additional 21,500 troops to Iraq, the Wiener Zeitung writes, adding that the wars in Iran and Afghanistan are weakening the US military.

US To Attend Key Iraq Conference

15. The United States has said it is willing to attend a conference on security in Iraq next month that will include representatives from Iran and Syria. The Bush administration has so far resisted calls by Members of Congress and experts to directly engage with Iran and Syria, and accused both countries of supporting Iraqi militants. At a Senate hearing Tuesday, US Secretary of State Rice said the Bush administration supports the Iraqi government's new diplomatic offensive.

ORF online news reports on the upcoming Iraq security conferences that mid-level representatives from the US and Iraq's neighbors are to meet in Baghdad for a first conference next month. State Department spokesperson Sean McCormick explained that participants will discuss ways to reduce violence in Iraq. He did not rule out bilateral talks between the US and Iranian representatives on the margins of the conference. In April, the Iraqi government wants to host a second, top-level conference with its neighboring states and representatives from the most important industrial nations. Like the first meeting, the second conference is to address the question of how to stabilize Iraq, Secretary of State Rice said. She also stressed she hopes Iran and Syria will accept the Iraqi invitation to the March conference, ORF online news quotes.

Commissioner on EU and Palestinians

¶6. EU Commissioner for External Relations Benita Ferrero-Waldner, speaking in Jerusalem, said the European Union will consider gradually engaging with the incoming Palestinian unity government, if it recognizes Israel and renounces violence. ORF radio early morning news Morgenjournal quotes EU External Relations Commissioner Benita Ferrero-Waldner as stressing that the EU has to "see what a new national unity government would be like, what would be its program, and what would be its actions." Palestinian officials have said their unity government should be unveiled by Friday.
McCaw